



Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia 23219

[www.dmas.virginia.gov](http://www.dmas.virginia.gov)

# MEDICAID MEMO

**TO:** All Providers and Managed Care Organizations  
Participating in the Virginia Medical Assistance Programs

**FROM:** Patrick W. Finnerty, Director  
Department of Medical Assistance Services (DMAS)

**MEMO** Special  
**DATE** 03/20/2006

**SUBJECT:** Notification of Contract Award and New Prior Authorization and  
Utilization Review Process – Spring 2006

## INFORMATION ONLY

The purpose of this memorandum is to inform providers that the Department of Medical Assistance Services (DMAS) will be:

- 1) Changing Prior Authorization Contractors; and
- 2) Implementing changes to its Prior Authorization and Utilization Review (PAUR) procedures in May through June 2006.

This memorandum provides an outline of the changes providers can expect during the implementation of the new contract that will take place over the next few months. DMAS is not changing the types of services that require prior authorization, but only the PAUR process. More specific and detailed information, as well as provider training, will follow as these changes are phased in.

The Department of Medical Assistance Services is pleased to announce that Keystone Peer Review Organization (KePRO) was awarded the contract for Prior Authorization and Utilization Review (PAUR) services for fee-for-service Medicaid, Family Access to Medical Insurance Security (FAMIS) and FAMIS Plus clients. KePRO won the competitive bidding process for PAUR services based upon their ability to implement interactive web-based technology (iExchange) and to move the PAUR process from a primarily fax and paper-based process to a speedier, provider-friendly paperless process that the Department believes will reduce providers' administrative burden. KePRO will also maintain a process for providers who prefer to use a

traditional paper based system, *i.e.* fax, mail, or telephone. As a result of the new contract, DMAS will be implementing changes to its PAUR procedures.

In order to ensure that Virginia fee-for-service Medicaid, FAMIS and FAMIS Plus clients receive medically necessary and appropriate medical care, while at the same time controlling costs, DMAS performed an extensive review of its PAUR procedures. DMAS consulted with providers and various stakeholders in order to determine how to improve the quality and efficiency of its PAUR process and to increase provider satisfaction. Based upon the results of this review, DMAS will make the following changes:

- Implement a paperless prior authorization request system in order to reduce the burden on providers.
- Move to nationally recognized criteria whenever possible to assure appropriate and consistent determinations.

This change does not apply to the Mental Retardation (MR) Waiver pre-authorization process for the MR Waiver. MR Waiver enrollees will continue to be handled through the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS). In addition, this change does not apply to prior authorization for dental services, which will continue to be addressed by the Department's dental contractor, Doral Dental.

### **KePRO WEB BASED – APPLICATION-i EXCHANGE**

KePRO will be utilizing a web based application called iEXCHANGE to facilitate the submission of prior authorization requests from providers. This is a user friendly system that will enable providers to submit requests 24 hours a day, seven days a week via the Internet. iEXCHANGE will streamline the prior authorization process, provide you with reporting capability and facilitate the provider workflow from prior authorization through payment.

There will be more information coming out in the weeks ahead regarding provider training which will be conducted in live sessions as well as in online sessions that will be accessible from locations with high speed Internet access. Training will include assisting providers in securing passwords, system login, account maintenance, customizing your environment and reporting capabilities. A Virginia KePRO web site is being developed and KePRO will have telephonic support available once the formal registration process begins.

### **INITIAL FREQUENTLY ASKED QUESTIONS REGARDING iEXCHANGE:**

#### **What is required to connect to the iEXCHANGE system?**

The only system requirement for hospitals or other providers to enter authorization requests is a workstation with Internet access. High speed access is recommended to fully access the system's capabilities. iEXCHANGE is browser based and requires either Internet Explorer version 5.5 or higher, or Netscape Navigator Version 4.08 or higher, with the exception of version 6.0. The browser must allow 128-bit encryption. JavaScript must also be enabled. If a non-compliant

browser is detected, iEXCHANGE will generate an error message with links to download compliant browsers or detailed instructions on how to enable JavaScript.

**We have users with AOL accounts. Will they be able to access the system?**

AOL uses a unique and proprietary browser. It is not supported and not recommended for use with the iEXCHANGE system. An AOL account may be utilized for connection to the Internet, provided a compliant browser is then launched and used for accessing iEXCHANGE.

**Is access to the system password protected? How will users be set up?**

Access to the system beyond the opening page is password protected. Each Provider will be assigned an administrative account and password. Each Provider will be expected to add and maintain its own user accounts in accordance with its own security policies and procedures. It is highly recommended that administrators should not create “generic” accounts for use by multiple individuals. Passwords are changeable by the user.

**How many accounts can be set up?**

There is no limit to the number of accounts that may be set up for iEXCHANGE access. Each Provider must maintain its accounts in accordance with its own policies and procedures.

While online submission is strongly encouraged, KePRO will accept FAX, telephone and mail requests as well.

**NEXT STEPS**

The Department plans to implement these new processes in May and June 2006. DMAS is working closely with its current PA contractor, West Virginia Medical Institute (WVMI) and KePRO to ensure a smooth transition. The Department will be meeting with key affected provider associations in the next few weeks. DMAS believes that the changes it is implementing will ultimately make the PAUR process more efficient and easier for providers. As with any change of this magnitude, providers may encounter some challenges during the transition process. We ask for your patience and understanding during this transition as we work together to improve this process.

Further information regarding the new PA program will be available on the Department of Medical Assistance Service's website at [www.dmas.virginia.gov](http://www.dmas.virginia.gov) and the KePRO website at [www.kepro.org](http://www.kepro.org) as it becomes available.

Thank you for your assistance as we move forward to improve the quality and efficiency of our prior authorization process. Should you have any questions regarding the prior authorization program, please send your inquiries via e-mail to [PAUR06@dmas.virginia.gov](mailto:PAUR06@dmas.virginia.gov).

## **ELIGIBILITY AND CLAIMS STATUS INFORMATION**

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

### **“HELPLINE”**

The “HELPLINE” is available to answer questions Monday through Friday from 8:30 a.m. to 4:30 p.m., except on state holidays. The “HELPLINE” numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the “HELPLINE” is for provider use only. Please have your Medicaid Provider Identification Number available when you call.

## **COPIES OF MANUALS**

DMAS publishes electronic and printable copies of its Provider Manuals and Medicaid Memoranda on the DMAS website at [www.dmas.virginia.gov](http://www.dmas.virginia.gov). Refer to the “DMAS Content Menu” column on the left-hand side of the DMAS web page for the “Provider Services” link, which takes you to the “Manuals, Memos and Communications” link. This link opens up a page that contains all of the various communications to providers, including Provider Manuals and Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet or would like a paper copy of a manual, you can order it by contacting Commonwealth-Martin at 1-804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates requested.

## **PROVIDER E-NEWSLETTER SIGN-UP**

DMAS is pleased to inform providers about the creation of a new Provider E-Newsletter. The intent of this electronic newsletter is to inform, communicate, and share important program information with providers. Covered topics will include changes in claims processing, common problems with billing, new programs or changes in existing programs, and other information that may directly affect providers. If you would like to receive the electronic newsletter, please sign up at [www.dmas.virginia.gov/pr-provider\\_newletter.asp](http://www.dmas.virginia.gov/pr-provider_newletter.asp).

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Please note that the Provider E-Newsletter is not intended to take the place of Medicaid Memos, Medicaid Provider Manuals, or any other official correspondence from DMAS.